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Attorney for Plaintiffs

IN THE UNITED STATES DISTRICT COURT  
FOR THE  
NORTHERN MARIANA ISLANDS

LI YING HUA, LI ZHENG ZHE and XU JING JI, ) CASE NO. CV 05-0019

Plaintiffs, )

vs. )

JUNG JIN CORPORATION, a CNMI corporation, )  
ASIA ENTERPRISES, INC., a CNMI corporation, )  
PARK HWA SUN and KIM HANG KWON, )

Defendants. )

DECLARATION OF COUNSEL IN  
SUPPORT OF MOTION TO  
REOPEN JUDGMENT;  
SECOND MOTION TO AMEND  
VERIFIED COMPLAINT

Date: Thursday, September 20, 2007  
Time: 9:00 a.m.  
Judge: Hon. Alex R. Munson, Chief Judge

I, Mark B. Hanson, hereby declare as follows:

1. I am competent to testify, and if called to testify, I would do so in accord herewith.
2. I am the attorney for Plaintiffs in the above-captioned civil action.
3. Unknown to Plaintiffs until recently, on about January 17, 2006, shortly after receiving all of the operating assets of the original defendants "in exchange for" an alleged \$100,000 cash loan to defendant Park Hwa Sun, KSK Corporation itself obtained a loan commitment letter from the Bank of the Federated States of Micronesia ("FSM Bank") for a loan in the amount of \$100,000.
4. I discovered this fact from documents on file with the Commonwealth Recorder's Office

1 documenting a loan, mortgage, guaranty and security agreement between the FSM Bank and KSK  
2 Corp. and its principals Kim Ki Sung and Kim Sung Eun.

3 5. Kim Ki Sung and Kim Sung Eun are husband and wife.

4 6. File Document Number 06-440, 06-441 and 06-442 on file with the Commonwealth  
5 Recorder's Office in Saipan show that on January 26, 2006, KSK Corp. signed a promissory note and  
6 various security documents in favor of the FSM Bank for a \$100,000 loan.

7 7. From the documents, it also appears that Kim Ki Sung is a guarantor and has provided his  
8 interest in land in the Commonwealth as security for the loan from the FSM Bank to KSK  
9 Corporation.

10 8. It also appears from the dates stated in the documents that the loan commitment from  
11 FSM Bank to KSK Corp. for a loan in the amount of \$100,000 came a little over two weeks from the  
12 date the Judgment Debtors in this case transferred all of their operating assets in Saipan to KSK  
13 Corp. for an alleged "loan" from Kim Ki Sung to defendant Park Hwa Sun in the amount of  
14 \$100,000.

15 9. Given the timing of the loan and the fact that the Judgment Debtors had been advertising  
16 their businesses for sale in at least one Korean language newspaper in Saipan, it is Plaintiffs' belief  
17 that said loan from the FSM Bank was actually to pay the purchase price for the assets transferred  
18 by the original four defendants to KSK and Kim Ki Sung and that no loan from Kim Ki Sung to Park  
19 Hwa Sun actually existed.

20 10. The alleged loan forgiveness transaction between Kim Ki Sung (using his company KSK  
21 Corporation) and the four defendants/Judgment Debtors liable to Plaintiffs was a sham to hide the  
22 true fact that Kim Ki Sung was acquiring all or substantially all of the business assets of the Judgment  
23 Debtors and paying cash in the amount of \$100,000 in fraud of the claims of the Judgment Debtors'  
24 creditors which now include Plaintiffs.

25 11. On August 24, 2006, a Judgment was issued for Plaintiffs in the total amount of  
26  
27

1 \$209,798.55.

2 12. Thereafter, Plaintiffs initiated proceedings before the Court to collect the Judgment  
3 including multiple motions for writs of execution and orders in aid of judgment. Subpoenas for  
4 documents were issued and served. Depositions were conducted. A private investigator was hired  
5 to locate any of the Judgment Debtors assets in the Commonwealth.

6 13. After these extensive collection efforts and months of selling off the property of the  
7 Judgment Debtors that Plaintiffs were able to secure, on May 25, 2007, the Court issued an Order  
8 approving the distribution of the proceeds, after costs and fees, of the various collection efforts of  
9 Plaintiffs against the original four defendants which proceeds represents most if not all of the assets  
10 currently within the reach of Plaintiffs.

11 14. The total amount of the proceeds of all of the sales of the Judgment Debtors' property  
12 in Saipan, after costs and fees allowed by the Court, was \$55, 015.36.

13 15. Calculating interest at the rate provided in 28 U.S.C. § 1961 from the date of the  
14 Judgment, and reducing the principal and interest on the Judgment by the proceeds applied on May  
15 25, 2007, the total amount of the unsatisfied portion of the Judgment against the original four  
16 defendants as of the date of this filing is \$163,853.31.

17 I swear under the penalty of perjury that the foregoing is true and correct and that this  
18 Declaration was executed this 23<sup>rd</sup> day of August, 2007 in Saipan, Commonwealth of the Northern  
19 Marian Islands.

20 /s/ Mark B. Hanson

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing will be deposited in the United States Post Office,  
first class mail, postage prepaid, addressed to the following:

Jung Jin Corporation  
P.O. Box 503428  
Saipan, MP 96950  
(670) 235-4321

Park Hwa Sun  
P.O. Box 503428  
Saipan, MP 96950  
(670) 235-4321

Asia Enterprises Inc.  
P.O. Box 503448  
Saipan, MP 96950  
(670) 235-4321

Kim Hang Kwon  
P.O. Box 503448  
Saipan, MP 96950  
(670) 235-4321

I further certify that the following were served with a copy of the foregoing via the Court's  
electronic case filing system and via e-mail:

Robert T. Torres  
LAW OFFICE OF ROBERT TENORIO TORRES  
P.O. Box 503758  
Saipan, Mariana Islands 96950  
E-mail: [rttlaw@pticom.com](mailto:rttlaw@pticom.com)

DATED: August 23, 2007

/s/ Mark B. Hanson

MARK B. HANSON